

University of Groningen

The Covid-19 Pandemic

Campbell-Verduyn, Malcolm; Linsi, Lukas; Metinsoy, Saliha; Roozendaal, van, Gerda; Egger, Clara; Fuller, Greg; Voelkner, Nadine

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version

Publisher's PDF, also known as Version of record

Publication date:

2020

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Campbell-Verduyn, M. (Ed.), Linsi, L., Metinsoy, S., Roozendaal, van, G. (Ed.), Egger, C., Fuller, G., & Voelkner, N. (2020). *The Covid-19 Pandemic: Continuity and Change in the International Political Economy*. Globalisation Studies Groningen.

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.



university of
 groningen



Globalisation
Studies
Groningen



The Covid-19 Pandemic:

Continuity and Change in the International Political Economy

Malcolm Campbell-Verduyn, Lukas Linsi, Saliha Metinsoy,
Gerda van Roozendaal, Clara Egger , Greg Fuller, Nadine Voelkner

The Covid-19 Pandemic:

Continuity and Change in the International Political Economy

Malcolm Campbell-Verduyn
University of Groningen

Lukas Linsi
University of Groningen

Saliha Metinsoy
University of Groningen

Gerda van Roozendaal
University of Groningen

Clara Egger
University of Groningen

Greg Fuller
University of Groningen

Nadine Voelkner
University of Groningen

ABSTRACT. As Covid-19 disrupts political and economic arrangements around the world, International Political Economy (IPE) is uniquely positioned to reflect on the pandemic's global economic and financial impact. To explore what IPE research can bring to the table, we situate state and market crisis responses within patterns of continuity and change in core structures of the international political economy as well as developments in everyday life. Spanning themes from the role of industrial animal farming and global value chains in spreading the virus to how the pandemic affects foreign aid, the politics of IMF aid disbursements, distributional conflicts within the European Union and surveillance capitalism, we outline research agendas for scholars and students of International Relations and International Political Economy to examine the origins, spread and responses to Covid-19 in years to come.

KEYWORDS: Covid-19; international political economy; capitalism; global value chains; foreign aid; International Monetary Fund; European Union; surveillance.

ACKNOWLEDGEMENTS. We are indebted to Herman Hoen and Julia Costa-Lopez for incisive and constructive feedback on earlier drafts of our contributions. We gratefully acknowledge financial support from Globalisation Studies Groningen. All errors remain the authors' responsibility.

WORD COUNT: 14,565, including references

Table of Contents

INTRODUCTION - IPE after Covid-19: The Same as it Never Was?	3
Malcolm Campbell-Verduyn, Lukas Linsi, Saliha Metinsoy & Gerda van Roozendaal	
Infectious modern livestock	9
Nadine Voelkner	
Speeding up Slowbalization: Global Value Chains after Covid-19	15
Lukas Linsi	
Transnational solidarity under stress? Foreign aid in the wake of the Covid-19 crisis	22
Clara Egger	
A Keynesian Revolution or Austerity? The IMF and the Covid-19 Crisis	28
Saliha Metinsoy	
Eurobonds vs. Coronabonds: Same Idea, New Context, Different Outcome?	34
Gregory W. Fuller	
Exit through the Surveillance Shop?	40
Malcolm Campbell-Verduyn	

INTRODUCTION - IPE after Covid-19: The Same as it Never Was?

Malcolm Campbell-Verduyn
University of Groningen

Lukas Linsi
University of Groningen

Saliha Metinsoy
University of Groningen

Gerda van Roozendaal
University of Groningen

The origins and consequences of the Covid-19 pandemic are not only epidemiological. Transmission of the virus—both animal to human and human to human—has been facilitated by political decisions that govern socio-economic activities occurring within, at, and across national borders. As the organization of how we eat, work, move, consume, and play are all implicated in the outbreak and evolution of the pandemic, understanding whether and how arrangements governing the global political economy will hold up or evolve is an urgent task. It is also a daunting task given the complexity and fluidity of the many global processes caught up in the pandemic, which remain shrouded in uncertainty.

This report discusses how International Political Economy can help us to understand patterns of change and continuity in the wake of Covid-19. The contributions share the traditional IPE focus on state-market relations at different levels of governance, as well as how they shape and are shaped by what is much more than a health crisis. The individual contributions, which address the economic, ethical, financial, and political contexts of the pandemic, reflect our research backgrounds and interests as we point to further pathways for IPE research. This introduction

overviews patterns of continuity and change identified in the contributions and addressed within IPE more generally.

Continuity and change in times of pandemic

A central preoccupation of IPE is how crises shape, or fail to shape, international relationships. Whether one traces the field's origins to the restructuring of the world economy in the 1970s or draws a longer lineage to the "moral philosophers" who studied capitalism's expansion and overturning of earlier socio-economic relations (Cohen 2019; Katzenstein, Keohane, and Krasner 1998; Underhill 2002; Ravenhill 2007), IPE can be seen as an (inter-)discipline concerned with patterns of continuity and change stemming from periods of abnormality. As Hobson and Seabrooke (2007, 4) put it, "the aim of the study of IPE is to find out how political and economic change occurs within the world economy."

The Covid-19 pandemic's *outbreak* can be traced to both continuities and changes in modes of production and distribution as well as in their governance. Although the persistence of traditional "wet markets" selling bush and live animals has been internationally condemned for enabling the SARS-CoV-2 virus to jump to humans, Voelkner points out that the origins of the virus are related to deeper structural economic transformations. Large-scale shifts towards industrial food production and globalized farming are bound up with the evolution and transmission of viruses among animals, while the unprecedented degradation of wildlife habitats and increasingly close contact between animals and humans have provided conditions ripe for zoonotic disease. Patterns of political-economic continuity and change also inform the spread of SARS-CoV-2 around the globe. Hyper-connected twenty-first century value chains meant that, from its initial appearance in China, SARS-CoV-2 has leapt to industrial heartlands around the world, notably appearing in globally connected industrial regions such as Northern Italy and Southern Germany before tourist cities like

Rome and Berlin. While diseases have long been transmitted along trade routes, the unprecedented speed of “just-in-time” international exchange (cf. Linsi, this report) ensured that the virus spread faster than authorities could respond. The valorization of “efficiency” in global production, trade, and health (Sell and Williams 2020) has ensured an equally efficient virus. By situating the roots of the pandemic in longstanding patterns of continuity and change, the contributions draw our attention to the arrangements governing the production and international circulation of “things.”

The contributions to this report also point to patterns of continuity and change in the *solutions* proposed to combat the pandemic. Although international coordination through the G7 and G20, as seen in the last financial crisis, is glaringly absent, we draw attention to a number of other forms of global coordination. Egger in her contribution assesses the possibilities for private flows of foreign aid to alleviate suffering; Metinsoy considers how advice from the International Monetary Fund—that governments increase public spending—overturns decades of conditionality imposed on borrowing countries. Fuller in his contribution discusses how once-fervent opponents of debt mutualization in the Eurozone have become advocates of shared debt, while Linsi highlights how multinational firms are responding to calls to re-shore rather than outsource production abroad. In their respective contributions, Voelkner and Campbell-Verduyn point to how large multinational pharmaceutical and technology firms are shedding the image of big pharma and big tech as tax-dodging villains to become key protagonists in the international race to develop effective vaccines and contact tracing. These contributions suggest how, in some ways, “this time is different.”

At the same time, the contributions consider whether responses undertaken in the heat of the moment are part of longer and broader trends, and whether they will leave any lasting impression in the long run. Linsi notes that trends towards the re-shoring of global supply chains pre-date Covid-19; Egger doubts that private flows of foreign aid have displaced public flows and

international donor relationships. IMF responses, Metinsoy reflects, may be a kind of “back to the future” in which Keynesian tenets inform advice, while Fuller considers continuities in the morality underlying the views of key German voters. Campbell-Verduyn and Voelkner each doubt whether the pre-pandemic backlash against large pharmaceutical firms and “techlash” against technology firms will dissipate. In injecting skepticism regarding the extent to which “this time is different,” the contributions identify pathways for future IPE research.

Crisis in IPE—IPE in crisis?

Crises are not only objects of analysis for IPE; they are moments to reflect on the strengths and weaknesses of the (inter-)discipline’s existing approaches. The herd behavior and limits to human rationality witnessed in the financial meltdown of 2007-08, for instance, revealed the limitations of overly rationalist theorizing, leading to a push to integrate insights from behavioral psychology and literary analyses into IPE (Nelson and Katzenstein 2014). The contributions to this report suggest two paths to generate and enhance connections between areas of research that the Covid-19 pandemic has exposed as insufficiently developed in the IPE literature.

The first is how “the ideational” materializes. While the “ideational turn” in studies of crisis has focused on how abnormal events are understood and acted upon, the pandemic highlights the need to better understand the mechanisms through which ideas, conceptions, and worldviews lead—or fail to lead—to change. Moving from “ideational battles” towards how institutions and other material “things” enable or disable certain ideas from impacting the world is an important task for IPE going forward. More specifically, Metinsoy in her contribution argues for bridging material and ideational approaches when considering how notions of “good governance” sediment, or fail to sediment, into policy advice. While the IMF’s research department has long entertained alternative views on conditionality, most notably in the wake of the 2007-08 global financial crisis, these ideas

often did not inform concrete advice from the IMF's executive branch; when and how ideas materialize across international bureaucracies is just as important as studying how they interact and “scale up” into global policy making. In his contribution, Fuller indicates the need for further research on how individual perspectives on debt and moral views on creditor-debtor relationships affect national and regional policy-making. Similarly, Egger calls for further research on how distinct individual notions of solidarity can facilitate different types of aid. Linsi in turn highlights how material infrastructures such as global production chains reflect socio-political attitudes as much as economic considerations. The focus on the meso-level connecting the micro- and macro-levels also underpins Campbell-Verduyn's call to trace how ideas of privacy become materially grounded in international experiments to repurpose technologies in public-private partnerships formed in response to the pandemic.

A second path for future IPE research involves greater focus on non-human elements and their interconnectedness with human activity. Technological infrastructures, material production networks, animals, and viruses are not entirely under human control. As the Covid-19 crisis illustrates, they operate partly independently of the humans that co-constitute them. Voelkner highlights how microbes and animals can shape the course of international affairs (and how they have repeatedly done so in history). Campbell-Verduyn and Linsi both point to the potential of complex systems—whether digital blockchains or global production networks—to generate dynamics that can ricochet human actions in unintended ways. IPE can provide insights into how choices to govern, or not to govern, these “vital-lethal entanglements” (Voelkner, this issue) between the human and non-human have been made, and might—and should—be shaped in the future.

Two caveats are necessary. This report leaves untouched many other themes that warrant greater attention by IPE scholars. Some themes that have long been neglected in the (inter-)discipline

have gained new dimensions and urgency in the context of the pandemic. These include regional differences, as well as racialized and gendered realities and portrayals of the origins, impacts, and responses to the virus (cf. Hozic and True 2016; Singh 2020). The evolution of investor-state dispute settlement mechanisms where multinational corporations might seek compensation for falling revenues due to COVID-19 measures will be an important indicator of continuity and change in state-market relations (Bernasconi-Osterwalder et al 2020). The pandemic also introduces new dynamics into the role of civil society as a counterbalancing force to both state and market power, and national health systems' dependency on pharmaceuticals produced commercially, and abroad.

In sum, the Covid-19 pandemic exposes a number of underexplored themes in IPE while highlighting the strengths of the discipline's focus on state-market relations in, at, and across national boundaries. The key theories, models, and concepts of IPE are fluid, and the pandemic will serve as a "stress test" and impetus to better integrate both unknown unknowns and known unknowns. Illuminating patterns of continuity and change underpinning the outbreak, evolution, and resolution of the worldwide pandemic will help to enhance IPE's relevance and remit.

Infectious modern livestock

Nadine Voelkner

University of Groningen

“It is perhaps a rude blow to the *amour propre* of our species to think that ... mindless viruses can shape our international affairs. But they can.” (McNeill 2010, 2)

The Covid-19 pandemic reveals how deeply and irrevocably human bodies are entangled with non-human bodies including microorganisms (microbes) such as viruses and bacteria and animals such as bats and civet cats. Never entirely inhibited by human attempts to prevent their circulation, microbial strains move biologically and socially within and across species over global trade and migratory routes connecting distant geographies. Like other recent outbreaks of infectious disease—pandemic influenza, Ebola (the 2013-16 West Africa outbreak and the 2018-20 DRC outbreak), HIV, and other coronavirus outbreaks (the Middle East Respiratory Syndrome (MERS) since 2012 and the Severe Acute Respiratory Syndrome (SARS) in 2003)—Covid-19 is a viral disease of zoonotic origin. Zoonoses or zoonotic diseases are infectious diseases caused by a pathogen—a disease-producing agent such as a virus—that has transmitted from an animal to the human species, subsequently spreading between humans. Throughout history, zoonotic diseases have caused major morbidity (illness) and mortality (death) in human populations, partially or wholly affecting the stability of political and economic systems. The current turmoil in the global political economy repeats this pattern.

Interspecies spillovers—when a virus or bacteria jumps from its host species (e.g. bats, warthogs, ticks) to another species (e.g. humans, pigs, chickens) and spreads through its new host

population—also take place between wildlife and livestock. Historically, such spillovers have led to illness and death in both wildlife and livestock, with major impacts on agriculture. The outbreak of mad cow disease (bovine spongiform encephalopathy, BSE) in the United Kingdom in the 1980s and 1990s led to losses in production, export restrictions, and the culling of four million cows to prevent the further transmission of the disease among livestock as well as humans. In what follows, I argue that anthropogenic activities, specifically modern livestock farming, facilitate both the emergence of infectious diseases as well as the acceleration of antimicrobial resistance (the growing immunity of infectious bacteria and viruses to available antibiotic and antiviral treatment). Their short and long-term implications require rethinking some of the foundational principles underlying IR and IPE.

Anthropogenic drivers of infectious diseases

Although we still do not know where SARS CoV-2, the viral strain causing Covid-19, originated, we know that human actions increase the risk of infectious diseases. Emerging infectious diseases include those that newly appear in a population such as SARS, Zika, and Covid-19 as well as existing ones that rapidly grow in prevalence or geographic spread such as HIV/AIDS. The conditions that accelerate their emergence are usually similar: demographic, environmental, and ecological conditions that put people into closer contact with unknown and unfamiliar microbes or their natural hosts (e.g. bats) (Morse 2001; Jones et al. 2008). The conditions that facilitate the spillover of pathogenic microbes from animal to human hosts are thus not “natural” but the direct consequence of political and economic decisions.

Throughout history, changes in the scale of human disease, geographic prevalence, and types of pathogen have evolved largely as a result of anthropogenic activity. As human populations spread around the world, their relationship to the natural world changed, resulting in the emergence of new or unknown infectious diseases. Since the beginning of agriculture and livestock herding some 10,000

years ago, from early agrarian settlements to the military and commercial interactions between early Eurasian civilizations to European imperialism, each historical transition resulted in the exchange of dominant infections between peoples and between natural habitats. Over the last five centuries, European colonization has caused the transoceanic transmission of often fatal infectious diseases such as the—mostly—unwitting spread of measles, smallpox, and influenza in Amerindian populations (McMichael 2004). Although improved nutrition and hygiene and the use of vaccines and antimicrobials in the twentieth century reduced humanity's disease burden, significant global health inequalities and growing international travel and trade have accelerated the global spread of infectious diseases. At the same time, clinical and technological advances were accompanied by the commercialization of public health centered on the rise of profit-driven global biotechnological and pharmaceutical industries (Roemer-Mahler and Elbe 2016) asserting controversial claims to international property rights on essential medicines (Shadlen, Sampat, and Kapczynski 2020). By the end of the twentieth century, the excessive market-driven use of antibiotics had led to notable increases in antimicrobial resistance and multidrug resistant (MDR) diseases such as MDR tuberculosis and the staph bacteria MRSA, prompting some scholars to speak of the end of the antibiotic age.

Modern agriculture and livestock spillovers

It is also becoming increasingly clear that modern agriculture—often entailing deforestation and the replacement of natural vegetation by crops—is changing the environment, leading to habitat fragmentation and the growing risk of zoonoses. Jones and colleagues argue that agricultural intensification and/or environmental change is affecting the structure and migration of wildlife populations, reducing biodiversity by creating new environments that benefit specific hosts, vectors, and pathogens (Jones et al. 2013). Many recently emerged zoonoses have their origins in wildlife,

while interactions with humans and farm animals risk the spillover of disease-producing microbes. Livestock, when it involves large numbers of animals crowding onto limited land, can become an intermediate or amplifying host in which pathogens can evolve and spill into human populations. Humans can also be infected directly from wildlife or vectors such as mosquitos that transmit the pathogen to humans (Childs, Richt, and Mackenzie 2007). Human behavioral changes driven by increasing population, economic and technological developments, and the spatial expansion of agriculture and livestock are creating novel and more intensive interactions between humans, livestock, and wildlife (Jones et al. 2013).

But it is not only the biophysical interactions of humans, wildlife, and livestock that are increasing the risks of zoonotic infection; infection within and across livestock also has serious implications for farming economies around the world. For example, while the Chinese province of Hubei was busy dealing with Covid-19, the African Swine Fever Virus (ASFV), another viral strain, was transmitting largely unhindered among local pig populations as the veterinary staff that usually controls this disease was quarantined. While ASFV does not directly kill humans but domestic and wild pigs, it affects the human world by disrupting farming economies and ecologies (Arregui 2020). The above-mentioned mad cow disease outbreak is another example of how emerging infectious diseases within livestock affect international economies but also infect humans. The case of highly pathogenic H5N1 avian influenza that emerged in Hong Kong in 1996-97 is particularly instructive. By 2006, the bird flu strain had caused outbreaks in both poultry and wild birds in 53 countries as well as 256 human cases, including 151 deaths. Hundreds of millions of chickens, ducks, turkeys, and geese either died or were culled to contain the spread of the virus. Here, too, decreased productivity and export restrictions led to significant economic losses (Kilpatrick et al. 2006).

The future of the global political economy

Emerging infectious diseases as well as antimicrobial resistance in human populations and livestock pose significant burdens and risks for global political economies and public health. By the end of the twentieth century, international organizations such as the United Nations were describing emerging infectious diseases as a major threat to global human security. It is not a question of *if* another pandemic will arise but *which* microbial strain will emerge *when* and *where*. It is for this reason that research on the international political economy of infectious disease emergence and its relation to the demand for modern intensive agriculture rooted in modern consumption patterns is necessary. Research on multispecies relations in overlapping political economies and ecologies is needed to pave the way for new ways of living and coexisting with other species in a post-Covid-19 world.

The development of a vaccine is beset with global political and economic controversies. If a vaccine against SARS-CoV-2 becomes available, it will strengthen the defense of those in the world privileged enough to receive vaccination. But failure to seriously consider the longer-term “vital-lethal” entanglement of the human species with other species in political-economic thinking will mean missing this opportunity to address the emergence of infectious diseases within and across national borders. Jones and colleagues conclude that sustainable agricultural food systems that minimize the risk of emerging disease will be needed to meet the food requirements of the rising global population while protecting human health and conserving biodiversity and the environment. Indeed, there is a need to teach students and practitioners to think ecologically about the global political economy of modern agriculture and livestock (Katz-Rosene, Kelly-Bisson, and Paterson 2020). In the end, Covid-19 may trigger rethinking the multispecies entanglement of the world, of how we relate to microbial, animal, and other non-human species. Recent scholarship developing an actor-network approach to international political economy (MacKenzie et al. 2020) is beginning to engage with the complex relationality of the human and non-human worlds that constitutes the global political economy. In the end, a mature, sustainable international political economy “must

come to terms with both the need for, and the needs of, the microbial species that help to make up the interdependent system of life on Earth” (McMichael 2004, 1049).

Speeding up Slowbalization: Global Value Chains after Covid-19

Lukas Linsi

University of Groningen

Most products we consume—from cars and iPads to bread—are not made in any one country. They are assembled through complex global value chains overseen by firms that are themselves increasingly diffuse transnational entities. It is the adoption of this structure of production that has driven the unprecedented increase of cross-border flows of (intra-firm) trade and direct investment that characterize the international political economy of the early twenty-first century (Baldwin 2016; Thies and Peterson 2015). The global spread of the SARS-Cov-2 virus has placed this system under severe stress, brutally exposing the vulnerabilities of hyper-connected just-in-time production networks.

The near-collapse of some global value chains in early 2020 has led to calls by prominent business and political figures to re-think the organization of global production. Against this background, the Covid-19 crisis has already been posited as a watershed moment in the evolution of economic globalization—as inaugurating a new stage of global capitalism. My contribution pushes back against this emerging historiography. While the trends towards the partial de-globalization of production are real, global production chains are here to stay. Although they are undergoing important changes, most of these transformations have been underway since at least the financial crisis of 2007-08. In this sense, the implications of the Covid-19 crisis for global production are better understood as a continuation—and likely acceleration—of pre-existing trends, not a radical break with the past.

Stress-test: global value chains during the Covid-19 crisis

The shock reverberating through global value chains during the first months of 2020 came in two waves. The lockdown of Wuhan and then other parts of China, a central hub in global production networks, first disrupted the flow of essential intermediate products. The sudden inability of Chinese suppliers to provide essential parts forced temporary production stops in car plants, electronics factories, and many other industries in Europe, North America, and elsewhere. In the second wave, the extension of economic shutdowns and social distancing measures to the rest of the world, including the world's largest consumer markets, upended global demand. Producers of face masks, ventilators, and other essential medical gear were overwhelmed, unable to escalate production levels to ensure the supply of critical goods. On the other hand, demand for most other products collapsed, wiping out factories' order books, filling up inventories and oil-storages, and threatening millions of businesses with immediate bankruptcy. Bleak prospects forced sellers to cancel orders, triggering a chain reaction that rippled through global production networks, wreaking economic havoc. Early projections by the World Trade Organization and the United Nations Conference on Trade and Development predict plunges of about 10-35 percent for global trade volumes and 30-40 percent for direct investments in 2020.

These shocks to global value chains were compounded by a range of protectionist policy measures. Export restrictions on critical goods from medical gear and food to toilet paper were imposed by more than eighty countries. Investment screening mechanisms to prevent foreign takeovers of domestic industries at "fire-sale" prices were swiftly tightened. Even fervent defenders of economic liberalism such as EU Commissioner Thierry Breton called for a shift in policy, declaring that "now may be the time to take into account things like being too dependent on one country, one region, or one company" (in Baker McKenzie 2020). The *Financial Times*' editorial board

advocated a shift in corporate management thinking away from lean hyper-efficient just-in-time production to more resilient “just-in-case” approaches (FT Editorial Board 2020). Capturing the sentiment of the moment, the cover of *The Economist’s* May 15, 2020 issue tearfully waved “goodbye globalization,” suggesting that the era of open global markets may fall victim to the virus as well.

International Political Economy can help contextualize such claims made in the heat of the moment. Drawing on International Relations and IPE literature that situates value chains at the public/private nexus of governance (Underhill 2002; Gereffi, Humphrey, and Sturgeon 2005; Cutler, Haufler, and Porter 1999), I consider two sides of the political economy of global production: the strategies of multinational corporations (the supply side of jobs and products) and the configuration of state-society relationships (the demand side of jobs and products and the context within which multinationals operate). Important changes are indeed underway, but IPE alerts us to the extent to which they represent deeper political-economic dynamics whose origins pre-date the current pandemic.

Supply-side: multinational corporations

Multinational corporations have structurally transformed their *modus operandi* in recent decades. Their wave of expansion in the aftermath of the Second World War was built on a simple recipe: “produce local, sell global” (Baldwin 2016). The scaling up of mass production and substantial reductions in transport costs and tariff rates in the 1950s and 1960s allowed competitive multinationals, overwhelmingly based in the Global North, to sell their products to consumers in all corners of the world. But the production of goods was still largely rooted in multinationals’ home economies, structured around value chains that were identifiably national in character. The second, arguably even more dramatic, wave of expansion that followed the demise of the Soviet Union was distinct in several ways. Breakthroughs in information and communication technologies in the 1980s and 1990s

facilitated the coordination of tasks at a distance, enabling corporations to slice up and re-locate various stages of production in different places in order to benefit from the highly profitable combination of “high tech and low wages” (Baldwin 2016): research and development could be located in proximity to the world’s leading research centers, headquarters in low-tax jurisdictions, and low- and medium-skilled manufacturing jobs in low-wage economies—all seamlessly integrated in the chains of global value (Gereffi, Humphrey, and Sturgeon 2005) and wealth (Seabrooke and Wigan 2017). The corporate management philosophy guiding this drive prioritized perceived cost efficiency over all else, prescribing an ever-finer division of production stages through outsourcing and the use of just-in-time management practices to minimize “slack.”

These were the broad dynamics that revolutionized the configuration of production chains in the global economy of the 1990s and 2000s. They played an important role in accelerating the worldwide spread of SARS-CoV-2 (cf. introduction to this report). And they were hit hard when the pandemic exposed bottlenecks throughout hyper-connected global production networks in early 2020, pushing multinationals to consider “re-shoring” production. But the pandemic itself is not the immediate cause of this partial retrenchment. First, even at the peak of hyper-globalization in the early 2000s, regional home-biases persisted in multinationals’ operations. Value chains were never truly global. The location of many activities, especially higher-value adding ones, remained biased towards MNC’s home economies typically in the Global North (Rugman 2005). Second, the risks associated with privileging cost-efficiency over all else were recognized long before SARS-CoV-2. The financial crisis of 2007-08 had shown the limits of conventional risk management practices in predicting complex systems’ response to shocks (Oatley 2019). As a result, “resilience” had risen to the top of C-suite executives’ agendas long before the pandemic. Third, and relatedly, multinational corporations had not only begun talking about the need to build resilience by gradually back-sourcing production towards their home economies; they had already begun doing so. Rising living standards

in emerging markets were placing upwards pressures on wages while progress in robotics (“Industry 4.0”) had been reducing production costs in advanced economies. At the same time, changing consumer preferences and growing attention to corporate social responsibility were reinforcing the re-location of production chains towards higher-income economies. The Trump administration’s declared intent to move towards the “de-coupling” of the Chinese and American economies highlighted significant political risks on the horizon. Altogether, even if at modest levels, the combination of these factors had already resulted in trends towards re-shoring, in-sourcing, and the diversification of value chains before the pandemic hit. As an OECD report published four years before the Covid-19 crisis stated: “[A]fter years of large-scale offshoring and outsourcing, companies increasingly seem to look for more diversified sourcing strategies and consider more options in structuring their production processes” (De Backer et al. 2016, 4).

In short, corporate executives were re-considering global production prior to the pandemic. Some degree of regional rebalancing increasingly made economic sense. Political forces that reinforced this trend had already been set in motion well before the Covid-19 crisis.

Demand-side: states and societies

Multinational corporations are embedded in the societies in which they operate. The building and maintaining of global value chains in the 1990s and 2000s was not only facilitated by technological progress but by historically exceptional political will to accommodate and protect the institutions underpinning global production networks (Linsi 2019). Having regarded foreign multinationals with suspicion for decades, many governments began adopting more welcoming attitudes in the late 1980s, gradually replacing policies that restricted foreign investment with policies to attract it. The emergence of a policy consensus favoring inward investments crucially enabled multinational corporations to pursue cost-efficient outsourcing strategies (Ibid.). While the vulnerabilities of this

production system exposed by the Covid-19 crisis contributed to undermining this consensus, it did not trigger the transformation. The gradual erosion of the consensus had started well before.

In stark contrast to policy elites, popular support for unfettered global markets was never enthusiastic. The exacerbation of inequalities brought about by many governments' handling of the 2007-08 crisis made it crumble. Distrust of large corporations, both foreign and domestic, regained a foothold in public discourses around the world; the political tide had begun to turn against economic internationalism. Having previously been relegated to low-key technocratic fora, the negotiation of trade and investment agreements—for example the US-EU Transatlantic Trade and Investment Partnership, the Canada-EU Comprehensive Economic and Trade Agreement, and the Trans-Pacific Partnership—were re-politicized (Dür, Eckhardt, and Poletti 2020) and re-geopoliticized (Meunier and Nicolaidis 2019). Disenchantment with the European project had been inflamed across member states, even before the United Kingdom's Brexit referendum in the summer of 2016 (cf. Fuller, this report). Trump's election exacerbated these trends at home and abroad. Calls for the repatriation of manufacturing jobs made headlines in the United States, while Chinese technology companies were declared “not welcome.” At the same time, European governments promised to close tax loopholes and to introduce higher taxation on foreign multinationals. Idle for decades, CFIUS—the US Committee on Foreign Investments—was revived, subjecting incoming investments to renewed scrutiny. A similar European Union body had come into force in April 2019.

Back to the future?

Opining the long-term consequences of Covid-19 for the future of global production may be premature. While the pandemic has severely disrupted the operation of global value chains, we can say with some confidence that the latest disruptions did not fundamentally alter the system's direction of travel. Trends towards the re-(geo)politicization of international trade and investment

clearly pre-date the pandemic. While there are signs that the Covid-19 crisis has accelerated the gradual “re-patriation” of economic activities, it has not caused it. How far it will go, and how the resulting re-alignment of economic blocs will look like, remains unclear at the time of writing. But the coming months may start to tell. In the meantime, International Political Economy provides a rich repertoire of analytical tools to study the role of states, markets, and various spatial scales of governance as we seek to understand the potentially epoch-defining effects of this pandemic on global production.

Transnational solidarity under stress? Foreign aid in the wake of the Covid-19 crisis

Clara Egger

University of Groningen

Oxfam, the world's leading anti-poverty NGO, warned in April 2020 that the Covid-19 crisis could “push over half a billion people into poverty unless urgent and dramatic action is taken” (OXFAM 2020). Oxfam's call echoed wider concerns about the pandemic undercutting transnational solidarity. On the one hand, countries in the Global South are particularly vulnerable. Although fiscal, health, and sanitary capacities vary considerably from one country to the next, most lack the resources to mitigate the crisis and already include in their populations the lion's share of the world's most vulnerable people. On the other hand, the Covid-19 pandemic is striking the economies and societies that have in the past been the most supportive of transnational solidarity. Many European citizens champion cross-border solidarity as a moral imperative (Diven and Constantelos 2009) while the largest charities in the world are based in Western Europe and North America (Stroup and Wong 2017). Outside of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD), China, the first country to be massively affected by Covid-19, is the leading voice of South-South cooperation. This confluence of greater demand and possibly smaller supply of foreign aid poses a dilemma for the future of development assistance and transnational solidarity more broadly conceived.

Against this background, this report contribution reflects on the likely evolution of foreign aid flows in the medium term. I propose drawing conceptual distinctions between (1) public and private aid; (2) the quantitative and qualitative aspects of aid projects; and (3) the different

motivations driving aid. With these distinctions in mind, I argue that there are reasons to believe that, despite the global economic depression, aid volumes may remain relatively stable over the coming years. Nevertheless, the current pandemic may re-orient aid flows away from the most urgent needs, requiring scholars to focus more on the quality than quantity of international aid flows in the era of Covid-19.

Likely effects on the volume of public aid

The extant IPE scholarship builds on two distinct theoretical models of public aid donorship. The first conceptualizes foreign aid as a “global public good” with altruistic underpinnings (cf. Mosley 1985). According to this conception, government generosity is conditioned by taxpayer support for such spending, primarily determined by perceptions that the government can afford to be generous to distant strangers but also by feelings of moral obligation towards less privileged countries (Round and Odedokun 2004). Given the connection to affordability, public aid budgets should be sensitive to economic downturns and shrink in times when economic growth drops and public deficits rise in donor countries. Past crises have revealed that the aid budgets of the so-called Nordic countries, the most generous in terms of aid as a share of GDP, show marked pro-cyclical tendencies (they increase with economic growth) (Hallet 2009). Confirming such models, Nordic countries are reassessing their aid strategies in the wake of the Covid-19 crisis, especially as the ascent of nationalistic parties has challenged the legitimacy of global redistribution. Sweden, a leading donor, has already announced the reshuffling of aid priorities to tackle the crisis more efficiently (Utrikesdepartementet 2020).

The second approach considers foreign aid as a form of self-interested investment serving the security and economic interests of donor countries. Analyses of the drivers of leading aid donors in terms of volume—the United States, France, Germany, and the United Kingdom—shows that

trade value is a stronger predictor of aid budgets than level of income or budgetary deficits (Fuchs, Dreher, and Nunnenkamp 2014). In this perspective, economic downturns in donor countries need not be accompanied by cuts in aid spending because foreign aid may in fact be serving as an important trade stabilizer, designed to sustain the donor economy by preventing the economy of commercial partners (and hence their capacity to export and import goods) from collapsing (Strömberg 2008; Peterson 2016). Public aid disbursements of many leading donors have been fairly resilient to economic shocks (Hallet 2009), including following the 2007-08 crisis. That leading donors including the US, France, Germany, and the UK in the Coronavirus Global Response Pledging Conference raised an additional 9.8 billion euros—2.3 billion above target—partly for humanitarian and economic support to Global South countries suggests that foreign aid remains strategic enough to be preserved (European Union 2020).

The role of private aid

Private aid flows are barely considered in current discourses on shrinking aid budgets. Most private aid is provided by individual donations. While reliable data on private aid is scarce, it is estimated that philanthropic groups such as the Bill & Melinda Gates Foundation, have accounted for less than 5 percent of total public aid volumes in 2017 (OECD 2018). How might private donations be impacted by the Covid-19 pandemic?

Private aid has been found to be more altruistic and effective than public aid (Büthe, Major, and De Souza 2012; Desai and Kharas 2008). Altruism is confirmed by the fact that—regardless of the type of individual donation (charitable giving or migrant remittance)—donor revenue plays a limited role in explaining both the decision and amount to donate (Carling 2008; Beldad, Snip, and van Hoof 2014). Among the altruistic drivers of giving, disasters trigger an empathy effect leading individuals who have experienced increased vulnerability to feel morally compelled to help people

facing similar situations (Verhaert and Van den Poel 2011). Although existing studies mainly focus on so-called “natural” disasters (especially floods), they show that the less victims are deemed responsible for their situation, the more impact empathy has on the decision to donate (Zagefka and James 2015). Experience of the pandemic may thus lead more people to donate for the first time and to direct their donations to medical humanitarian agencies.

Connecting the dots

In sum, the Covid-19 crisis will likely impact the volume of various kinds of aid flows from different donors in different ways. Although the existing scholarship does not furnish definitive answers, it suggests possible determinants as well as hitherto largely unacknowledged interrelationships between public and private forms of aid. The extant literature suggests that we can expect the evolution of public aid to depend primarily on the sensitivity of aid budgets to donor countries’ domestic economic interests, and private generosity to be more strongly shaped by the salience of the sanitary crisis as well as the severity of the Covid-19-induced economic crisis’ impact on household income. Recent estimates suggest that some Scandinavian donor countries—typifying more crisis-sensitive “public good” aid—will suffer less economic harm from the pandemic than representatives of more crisis-resistant “self-interested” aid such as France, the United States, and the United Kingdom (Eurostat 2020). To the extent that these projections are accurate, we can expect some decline in public aid from the Nordic countries, which may be partly offset by increases in private aid (due to the empathy effect). For other key donors such as the United States, the United Kingdom, and France, private aid may suffer more due to the greater economic hit on households and individual donors. But this may be counter-balanced by the relatively crisis-resistant nature of public aid flows from these countries given the self-interested motives driving their aid (stimulus to one’s own

economy). In short, it seems possible that despite the severe worldwide economic depression, overall volumes of total aid may remain relatively stable in the years to come.

Problems below the headlines? Potential shifts in the distribution of aid

Although the extant IPE scholarship and the experience of past (economic) crises suggest continuity in aid volumes, this is not necessarily good news for vulnerable people in the Global South. The crisis is likely to reinforce the selectivity of aid projects to the detriment of the welfare and humanitarian needs of Global South societies.

Even if absolute volumes of total aid may remain relatively stable, important shifts that risk further undermining the effectiveness of foreign aid may already be underway. Early signals indicate that economic difficulties in donor countries are reinforcing incentives to allocate aid on a self-interested rather than needs-based basis, shifting resources away from where they are most urgently needed. Three mutually reinforcing dynamics of aid selectivity can already be observed. First, several leading donors including the United Kingdom, the United States, and France have announced a reorientation of their overseas development aid commitments towards medical infrastructure to tackle the pandemic. But Covid-19 is not the only risk facing public health systems in the Global South (cf. Voelkner, this report). Already before the pandemic, societies in the Global South were advocating for a less Global North-centered conception of the global public health agenda, one that would commit resources to the fight against HIV-AIDS, Ebola, polio, tuberculosis, and measles as well as so-called neglected diseases such as malaria. The reorientation of priorities is likely to cause more harm than good, as can already be seen in the World Health Organization's decision to suspend vaccination campaigns to prioritize the fight against Covid-19. Second, eagerness to prevent the spread of the virus by reinforcing governmental institutions in the Global South risks creating additional stress on marginalized people. In particular, forcibly displaced people and discriminated

minorities have no alternative than aid to see their basic needs met. The increased selectivity of aid projects is of particular concern. The United Nations Office for the Coordination of Humanitarian Affairs, prior to the Covid crisis, estimated that nearly 168 million people will need humanitarian assistance and protection in 2020—the highest number ever. Third, given the growing linkages between aid and trade, investments will likely prioritize the top strategic sectors of donor countries—priorities that rarely coincide with the development and welfare needs of Global South societies.

By the same token, the potential surge in private donations will likely benefit organizations that have launched Covid-19 fundraising appeals. But as it relies on individual feelings of proximity to other crisis-affected individuals, the empathy effect is highly discriminatory; past research on disaster donations show that private donations—and even more so migrant remittances—target representations of innocent and deserving victims, reinforced in charities’ fundraising appeals (Zagefka and James 2015). Such patterns were seen following the 2004 tsunami in Southeast Asia when private donations in OECD countries hit record highs (Korf 2007). But the abundance of targeted donations constrained NGOs in how they could use these resources, to the detriment of forgotten crisis-affected communities in other countries. Looking forward, these three early trends serve as a warning for policymakers and researchers of the international political economy of foreign aid in the era of Covid-19.

A Keynesian Revolution or Austerity? The IMF and the Covid-19 Crisis

Saliha Metinsoy

University of Groningen

The International Monetary Fund (IMF) is an intellectual authority in global politics and economics (Chwieroth 2007; Clift 2019). Its advice plays a crucial role in setting the norms for “sound” economic policy and shapes the policies of governments around the world. My contribution focuses on ideational continuity and change at the International Financial Institutions (IFIs), particularly at the IMF in the wake of the Covid-19 crisis.

The IMF in early 2020 issued some unusual advice, counselling aggressive government intervention and spending to counter the adverse economic effects of the Covid-19 crisis (IMF 2020). This latest round of advice seemingly contradicted the fiscal discipline and minimal government spending mantras that the IMF (often vehemently) defended before the crisis. Is this a temporary emergency measure? Can it lead to lasting change at the Fund? How should we study and evaluate the IMF’s thinking during the Covid-19 crisis?

Ideational changes at the helm of the IMF will affect the lives of millions of people around the world. A shift to Keynesian ideas and policies could entail switching to a more embedded form of capitalism where the downward redistribution of income is possible and the most vulnerable segments of society are protected from market dislocations and the adverse impacts of the epidemic (Ban 2016). It could also mean increased government debt and loss of credibility in financial markets. Conversely, advice to return to the “old normal” would require budget cuts, less government investment and spending. It would mean less income redistribution to lower income groups and concentration of wealth in the richest parts of society (Ban 2016). It could also mean greater ability to

attract foreign capital. As the Covid-19 crisis overhauls social, economic, and political systems, it challenges us to rethink what is “sound” macro-economic policy. The IMF, with its flagship publications, surveillance reports, and conditionality for loans, plays a leading role in setting crisis and post-crisis economic policy.

We can identify four ideational periods at the IMF since its inception in 1945: (1) its founding as a Keynesian institution, (2) the struggle between Keynesian and neoliberal ideas in the late 1960s and early 1970s; (3) the triumph of neoliberal ideas starting from the mid-1970s; and (4) the post-crisis questioning of the neoliberal consensus since 2008. Against this background, the current period stands out as a likely watershed; the IMF must now make a decision. Given the sharpest-ever increases in government debt levels since the end of World War II, the Fund needs to either fundamentally re-evaluate its stance towards public debt or double-down on its commitment to austerity with potentially dramatic consequences. To understand the parameters of this shifting of priorities, we must study how ideas compete and prevail at the Fund.

Four factors were central in the shifts between the above-mentioned periods (Chwieroth 2014; Ban 2016): (1) ideas circulating in mainstream academia and the economics profession; (2) the agency of IMF staff in integrating these ideas into the Fund’s policy advice; (3) the acceptance and legitimization of these ideas by powerful member states, especially the United States; and (4) perhaps most importantly, a global economic crisis preceded each shift.

I first discuss the shift from Keynesian ideas to monetarism in the 1970s and the reverse trend away from market orthodoxy after 2008. I then reflect on the strengths of the IPE literature in studying ideational continuity and change at the International Financial Institutions and how, going

forward, the study of norms and ideas can be integrated with study of the material interests of powerful member states to analyze the IMF's post-Covid-19 policies.

Previous ideational shifts at the IMF

Founded after the Second World War, the IMF was originally a Keynesian institution espousing macroeconomic policy autonomy for borrowers and full employment via fiscal intervention (Clift and Tomlinson 2012). In the 1970s, staff at the Fund began to lean towards market orthodoxy, privileging balanced budgets, the cutting of state expenditures, and ensuring credibility with financial markets (Ban 2016; Clift 2019). Conditionality and quantitative targeting grew more important (Dreher and Walter 2010), witnessed in spending ceilings for governments, cuts to spending in education and health, and advice to governments around the world to maintain balanced budgets (Kentikelenis, Stubbs, and King 2016). By the 1980s, the IMF had become a staunch defender of market-oriented policies and a “globalizer” disseminating these policies around the world (Woods 2006).

The shift from the Keynesian paradigm towards monetarism in the 1970s can be traced to the rise of monetarist ideas in academic circles and their wide acceptance as “appropriate economic policy” (Babb 2013). Governments, especially that of the United States, adopted these ideas, giving legitimacy to fiscal discipline and balanced budgets. IMF staff, both in local offices and in the research department, were socialized to accept these ideas through their training and replaced “old-school” staff members (Clift and Tomlinson 2012).

In the wake of the 2007-08 financial crisis, several IMF scholars noted signs of a subtle but recognizable reversal in the Fund's rhetoric towards counter-cyclical fiscal policy activism (Clift 2019). In lending to Greece together with the European Central Bank and the European

Commission, the IMF advised debt restructuring (Moschella 2016). But in opposition to its European partners, the IMF also defended less contractionary policies than had been applied in its Central and Eastern European programs (Lütz and Kranke 2014). Nevertheless, the advice to pursue an active fiscal policy only applied to advanced economies. Developing countries borrowing from the Fund in the same period were counselled to do “more of the same”: reduce debt and cut expenditures (Kentikelenis, Stubbs, and King 2016). Such contradictory advice reflected a stage of “fragmented change” at the Fund (Kaya and Reay 2019)—an internal struggle between the pro-Keynesian camp and the fiscal-responsibility/austerity camp.

In the midst of the Covid-19 crisis, the Fund seems to have stepped further towards Keynesianism. It is providing greater autonomy to borrowers by getting rid of conditionalities and advising governments to *spend* widely and liberally (IMF 2020), thereby supporting countercyclical policies to offset the adverse effects of the crisis. The key question is whether the IMF will return to market orthodoxy and austerity once the pandemic’s most immediate economic and financial threats have passed or whether it will defend government spending as a way to support the demand side to sustain economic recovery—possibly also in recognition of the importance of health and social welfare spending that the pandemic has highlighted.

While history shows that crises can provide impetus to ideational change (Hall 1993), it is far from guaranteed. Government intervention in the economy and support for the demand side may prove to be emergency measures that will be shelved after the crisis, as largely happened after the financial crisis of 2007-08 (Blyth 2015; Schmidt and Thatcher 2014).

IPE and ideational continuity and change at international financial institutions

The IPE literature on IMF politics remains divided between a materialist/rationalist and an ideational camp—a reflection of the divide in the field in general (Pevehouse and Seabrooke, forthcoming). The rationalist camp emphasizes the role of influential member states in shaping and influencing the Fund’s policies and conditions (Copelovitch 2010; Dreher, Sturm, and Vreeland 2013; Stone 2008). While its unifying argument is that economically and politically powerful countries look after their allies at the Fund, it omits discussion of the ideational background of these conditions, for instance that the prescription of fiscal austerity or expansion largely follows the prevailing paradigm at the Fund.

The ideational camp focuses on the agency of staff members and the role of economic paradigms that shape their thinking (Ban 2015; Clift 2019; Chwiero 2015; Nelson 2017). Scholars emphasize that IMF staff members follow recent publications in the field, pride themselves for being up to date on cutting-edge research, and integrate these ideas into their own “clinical economist” practice (Clift 2019). But in doing so, ideational scholars largely view the IMF and its staff as an “island”; member states and their influence on the ascendance of certain ideas do not feature prominently in the analysis.

To better understand the current critical juncture in IMF politics, we need to integrate these two strands of research. Tools and insights from the materialist camp can show us how and when influential states use their institutional and informal powers to promote austerity or stimulus, especially for their allies. The ideas and policies promoted by the United States (Stone 2008) and the other G-5 countries (United Kingdom, Germany, France, and Japan) will likely carry particular weight (Copelovitch 2010). The ideational camp is better equipped to study the processes through which ideas and norms emanating from influential member states find their way at the Fund. Its insights allows us to study how material interests are defended through ideas and norms at the IMF,

and how ideas about appropriate economic policy shape how states conceive of their material interests (cf. Fuller, this report).

The Covid-19 crisis is opening up broad questions about governance (Voelkner, this report). Among them, questions about the intellectual authority of the IMF will have far-reaching consequences for crisis and post-crisis economic management. We can expect to see a competition of ideas, particularly between those advocating fiscal stimulus and balanced budgets—in academia, in the IMF’s influential member states, and within the Fund itself. While the IPE literature is well equipped to study these processes with its existing tools, what is necessary, at least in studying the Covid-19 crisis, is not just “constructive non-engagement” (Pevehouse and Seabrooke, forthcoming) but “mutual learning” and reaching across to the opposite camp.

Eurobonds vs. Coronabonds: Same Idea, New Context, Different

Outcome?

Gregory W. Fuller

University of Groningen

The decade-long European debate over joint debt instruments—either as “Eurobonds” or “Coronabonds”—has at its roots a paradox. Most participants, even those currently opposed to issuing joint debt, admit that joint debt instruments make a great deal of technical sense. At the same time, most participants conceded that such instruments are extremely unlikely to be realized in the near future—that is, until the SARS-CoV-2 virus appeared in Europe. My contribution addresses three interrelated questions: (1) Why is there so much divergence between what “should” and what “will” happen? (2) How does political economy help us understand this dynamic? (3) Might the Coronavirus represent a critical juncture from which continuity gives way to change? I address these three questions in turn.

The European debate over joint debt

In 2020, the debate over so-called Coronabonds has emphasized solidarity—a relatively new focus prompted by changed circumstances. Although solidarity was not entirely ignored during the first Eurobond debate in the early 2010s, the arguments were more technical in nature. Eurobonds were proposed as a way to secure the eurozone against sudden stops, when capital flows into a country go into reverse as creditors flee from exposure to crisis-stricken countries. Eurobonds were also a means of breaking the “doom loop” between governments and their domestic banking systems, whereby a sovereign default bankrupts the national financial system and bailing out the national financial system

bankrupts the sovereign. The new instruments were meant to serve as nearly risk-free assets circulating across the eurozone, analogous to Treasury instruments in the United States. If a country ran into fiscal trouble, there would be less incentive for foreign creditors to withdraw their funds. Banks would also be less exposed to the creditworthiness of their own government (see extensive discussion in De la Dehesa 2011; European Commission 2011; Jones 2010, 2012; Monti 2011).

The technical argument was generally accepted—even by those who argued against the creation of joint debt instruments. A European Parliament report on the idea of Eurobonds began its executive summary by stating: “Eurobonds are today a subject of heated debate among euro area policy makers when trying to find a proper exit to the present Euro sovereign debt crisis, even if it is quite clear that they have more pros than cons” (De la Dehesa 2011, 4). The report goes on to clarify that the problem with Eurobonds is not technical but political—a conclusion broadly echoed in the European Commission’s (2011) own report on the subject. Both the European Parliament and the European Commission thus acknowledged the robust technical case for Eurobonds while casting serious doubt on the likelihood of them becoming reality. Even Germany, often the key opponent of issuing joint debt, argued that its opposition was not absolute. Key figures such as Bundesbank head Jens Wiedmann and Chancellor Angela Merkel viewed joint debt instruments as a “final step” to a European Union that jointly makes fiscal decisions (i.e. political union) (EurActiv 2012). In short, there was relatively little disagreement over *either* the notion that Eurobonds make technical sense—*or* the notion that they are unlikely to materialize anytime soon. This begs the “why” question. How much needs to change before the opposition gives in?

The contribution of Political Economy

These are questions to which political economy¹ is well-suited. Susan Strange, one of the founders of contemporary IPE, was fond of approaching events by asking “cui bono?”—who benefits? In its contemporary form, political economists have broadened this question from its material understanding to one that also considers the psychological drivers of human behavior (Hafner-Burton, Hughes, and Victor 2013; Herrmann 2017).

On the material level, adopting a common debt instrument will have distributional effects. Although in theory *everyone* will benefit from reducing the risks of eurozone fragmentation, this benefit is much larger for countries that bond markets see as riskier and which are more likely to suddenly lose access to capital markets. For the economically troubled countries of the eurozone “periphery,” the distributional impact of creating Eurobonds is therefore positive. Interest rates on their borrowing would fall as they benefit from the added security offered by the credit ratings of Germany and the Netherlands.

For Germany and its allies, the result would be the opposite. They would likely face higher interest rates as markets price the added risk of Germany’s new liabilities—especially considering the inclusion of countries with poor reputations for creditworthiness. The cost of mutually guaranteeing eurozone debt has been trumpeted in headlines as billions per year (Cohen 2011). Numerous challenges to the German Constitutional Court have centered on the constitutional impermissibility of mutualizing liability as it would effectively expropriate German taxpayers (Pidd 2011; Inman 2020). For many, this is where the discussion of Germany’s position ends (Frieden and Walter 2017):

¹ In analyzing the eurozone, there is arguably little distinction between comparative and international political economy. “European political economy” builds on insights from both and cannot be characterized as one or the other, reflecting the fundamental interdisciplinarity and problem-focused nature of political economy in all its forms.

it is manifestly not in Germany's economic interest to support debt mutualization—so why should the country do so?

This tidy story is not without problems. An area of political economy research that has been growing rapidly over the past decade—particularly among Europeanists—emphasizes the ideational causes of outcomes. Drilling into what factors determine individual support or opposition to joint European debt, values and identity appear to matter more than material interests.

First, the academic and political debate over fiscal policy in the European Economic and Monetary Union has been highly moralized, dividing fiscally conservative high-savings “saints” and fiscally looser high-spending “sinners” (Matthijs and McNamara 2015). Mario Monti, the former Italian Prime Minister, famously characterized German policy by saying, “for Germans, economics is still part of moral philosophy” (in Kramer 2015). As is often noted, the German (and Dutch) words for “debt” and “shame” are the same—a connection underscored when Angela Merkel explicitly promotes the stereotypically frugal Swabian housewife as a model for the country (Kollewe 2012). In short, borrowing excessively is bad behavior which must be discouraged. Softening the consequences of bad behavior, the thinking goes, invites moral hazard.

While this morality tale is dominant in Germany (Kaiser and Kleinen-von Königslöw 2017), it is not universal. Polling illustrates that Germans who adhere to more altruistic moral systems are more likely to support measures such as bailouts, whereas those adhering to more retributionist moral systems tend to oppose them (Rathbun, Powers, and Anders 2019). In other words, while support for the status quo does not vary substantially across political parties or material conditions, it does vary across groups expressing different values. Identity also appears to play a major role in shaping German attitudes toward the country's foreign economic policy. Interestingly, *support* for EU integration in general does not predict an individual's attitude toward bailouts (Blum and van Treeck

2019) while emotional *attachment* to Europe does. This is true for both ordinary voters (Chalmers and Dellmuth 2015) and parliamentary elites (Degner and Leuffen 2016).

In short, individual positions on whether Germany should embrace Eurobonds are largely shaped by ideas and identity. Is debt bad? How does the risk of financial moral hazard compare to the moral hazard of inaction in the face of suffering? How do these judgments change according to the level of European identity expressed by Germans? This intersection between how individuals construct their interests and how collectives like nation-states then choose to define the “national” interest is an area ripe with scholarly questions. While one political economy account of the Eurobond debate provides a parsimonious explanation for Germany’s behavior, another suggests that we have much work to do in connecting the macro and micro levels of analysis.

Continuity vs. change

All of this suggests that, when examining the likelihood of discontinuity with the recent past, we need to examine both material interests and the possibility of a transformation in how society constructs its interests. The question with Covid and Coronabonds is whether the crisis has changed either.

Taking the macro view, Germany’s national preferences towards cooperation would likely change if the costs of non-cooperation—such as the potential dissolution of the eurozone—become more evident. There have been signs of this amidst the Coronavirus, with former Bundestag President Norbert Lammert arguing that Germany’s opposition to Eurobonds has “caused greater political damage” than it has done good (Grüll 2020). Likewise, former leader of the Social Democratic Party Sigmar Gabriel tweeted in March 2020: “rather Euro- and Coronabonds than a destroyed EU.” Germany, if it values the euro, should be more willing to act to save it.

On the micro level, the moral context of the current crisis is quite different from the 2010s. One can argue that austerity programs in Italy, Greece, Spain, and elsewhere were technically necessary and ethically defensible. But whereas the previous crisis could be seen as self-inflicted, it is more of a stretch to blame countries for being unprepared for the economic consequences of a global pandemic. There is now a trade-off between different “moral hazards.” On one side is the conventional financial understanding of moral hazard. On the other is the moral hazard implied by allowing more vulnerable parts of the European Union to disproportionately suffer when some of this suffering could be alleviated.

Whatever the outcomes of cooperation in sharing the costs of the Coronavirus pandemic, they will shine a light on whether and how the construction of interests can change. Preliminary research shows that German attitudes toward joint debt are malleable (Baccaro, Bremer, and Neimanns 2020). The remaining question is when and how.

Exit through the Surveillance Shop?

Malcolm Campbell-Verduyn

University of Groningen



Photo credit: Ivo Dimitrov

A twist on Johannes Vermeer's *Girl with a Pearl Earring*, in which an outdoor security alarm stands in for the famous pearl earring, was itself given a contemporary twist as the SARS-CoV-2 virus swept over the English city of Bristol in April 2020. A surgical mask was attached to the *Girl with the Pierced Eardrum*, either by the original painter—the street artist known to the world as Banksy—or by another unidentified individual. This evolving artwork and the “known unknowns” surrounding its creator(s) illustrate the on-going push-and-pull between privacy and surveillance that students and scholars of International Relations are well positioned to investigate in the evolving context of the Covid-19 pandemic.

International Political Economy approaches are particularly helpful for making sense of new and existing forms of surveillance catalyzed in international responses to the SARS-CoV-2 virus. Zooming in on evolving public-private partnerships between firms, governments, and international organizations, IPE provides a *microscope* for foregrounding highly technical developments that often remain as invisible as viruses. Zooming out on the wider implications for power, legitimacy, and governance, IPE provides a *macroscope* for situating the obscure and arcane within profoundly political dynamics. In combination, these lenses can generate nuanced insights into the global expansion of surveillance and practices to safeguard privacy.

In what follows, I show how “regulatory” and “everyday” IPE approaches provide, and help connect, micro- and macro-level analyses of efforts by state and non-state actors to harness novel technologies in the fight against Covid-19. I zoom in on a prominent set of “distributed ledger” technologies—more widely known as blockchains—to illustrate how they are being repurposed to track and trace the spread of SARS-CoV-2 while both expanding *and* resisting global surveillance. I conclude with a call for further IPE engagement with the interdiscipline of surveillance studies,

where notions of “digital sousveillance” (Burke 2020) can help push scholarship to “trace the tracers” in ways that draw out the prescriptive, contingent, and political nature of technological practices in responses to the Covid-19 pandemic.

Regulatory and everyday surveillance in the global political economy

IPE perspectives can broadly be divided into “regulatory” and “everyday” approaches (Hobson and Seabrooke 2007; Elias and Rethel 2016). The former helps draw attention to the top-down and prescriptive nature of global economic surveillance practices while the latter emphasizes the bottom-up and socio-technical interactions underpinning efforts across sectors of the global political economy to track, trace, and target mundane activities.

International organizations routinely monitor both member- and non-member states. Multilateral surveillance by the International Monetary Fund and international bodies like the Organization for Economic Cooperation and Development and the World Bank aggregate country performance on economic and political metrics into quarterly or yearly reports that then rank and benchmark nation-states against one another. Despite criticism that such practices tend to advance specific conceptions of “correct” behavior (Broome and Quirk 2015), top-down forms of global surveillance have progressively expanded in the wake of previous crises (Pauly 1997). For instance, the surveillance practices of the Financial Stability Board were enhanced by the Group of 20 (G20) following the 2007-08 global financial meltdown (Kranke and Yarrow 2019).

The operation and expansion of regulatory forms of global economic surveillance are far from automatic. Seemingly abstract global processes are underpinned by concrete yet typically mundane interactions between state and non-state actors as well as between human actors and non-human objects. “Everyday” IPE approaches help to draw attention to the varying forms of

agency exercised in developing, maintaining, and expanding the socio-technical systems enabling the creation and collection of formal statistics harnessed and acted on in regulatory forms of surveillance. Bottom-up approaches help reveal how formal indicators and measures are underpinned by a host of increasingly digital *informal* interactions, including everyday social and work-related communications that have gone online since the pandemic's outbreak. Forms of "dataveillance"—of the "digital traces" created and left through online interactions—remind us that surveillance is not a quarterly or yearly affair but one involving the "continuous tracking of (meta)data for unstated preset purposes" (Van Dijck 2014). Shifting the analytical lens onto what has become second-by-second digital surveillance while recalling the role of humans and non-humans in enabling and sustaining these practices helps to see them as contingent and contestable. The reliance of surveillance practices on people and technologies serves to remind us that these fundamentally *socio*-technical systems can be altered and repurposed. Global surveillance, in short, is far from an automatically expanding set of processes.

Top-down and bottom-up IPE approaches can usefully be combined to generate meso-level analyses that draw out both the prescriptive and socio-technical nature of global surveillance as a fluid set of practices. Below I zoom in on one set of technologies being repurposed to both expand and resist global surveillance in responses to the Covid-19 pandemic.

Covid-19 (anti)surveillance experiments

State and non-state actors were already experimenting with emergent technologies to address global challenges before the SARS-CoV-2 virus (Bernards et al. 2020). In responding to the current pandemic, blockchain technologies have been particularly prominent. These "distributed ledger technologies" enable encrypted digital transactions to be undertaken, verified, and published in "blocks" that, when linked together sequentially, form permanent, tamper-proof "chains" or shared

databases that all users can access but no one user can alter on their own. The technology has a mysterious aura as its blueprint originated in a white paper by a still unknown author(s) calling for a global electronic cash system in which one can “see that someone is sending an amount to someone else, but without information linking the transaction to anyone” (Nakamoto 2008, 6). Bitcoin’s use of blockchain technology since 2009 has spawned numerous experiments with financial privacy. But just as “privacy coins” were being further developed and refined, overviews of transactions provided by blockchain technology were underpinning efforts to harness the technology to extend the very global economic surveillance practices that Bitcoin and “cryptocurrencies” were developed to resist. Global regulators sought to use “fire to fight fire” (Lagarde 2018) by encouraging the blockchain “intelligence industry” to develop profiling services for police organizations and governments around the world. Meanwhile, Central Bank-backed Digital Currencies (CBDCs) were being developed to provide real-time overviews of economic transactions within and across economies that the exchange of physical cash or coins could never feasibly provide. Yet other blockchain-based experiments sought to track, trace, and target the circulation of objects like parcels as well as human labor across complex global supply chains (Bernards et al. 2020). It is within this rapidly evolving context that blockchains became a “go-to technology” underpinning both top-down and bottom-up responses to the Covid-19 pandemic. Combining insights from “everyday” and “regulatory” IPE approaches provides a meso-level understanding of the connections between these efforts, illustrating the push-and-pull of surveillance and privacy in responses to the pandemic.

Bottom-up blockchain-based technological experimentation was initially catalyzed as the SARS-CoV-2 virus spread first across China and then around the world in 2020. In the first weeks of February 2020 alone, two dozen applications of the technology emerged for tracking the circulation of personal protective equipment, insurance claims, and health data. Close linkages between these bottom-up efforts—many of which sought to protect personal privacy—and top-down state

coordination quickly appeared. Both small and large technology firms involved in blockchain-based responses to the pandemic partnered with the Chinese state's Blockchain-based Service Network (BSN) launched in March 2020. The country's central bank meanwhile began piloting a blockchain-backed version of a digital yuan, the Digital Currency Electronic Payment, in several cities. While the ostensible purpose was to eliminate viral spread via physical currency exchange, these trials also sparked fears that the real-time tracking and monitoring of payments would inform the social credit scores of Chinese citizens (Mukherjee 2020).

Interactions between top-down and bottom-up experiments with blockchain elsewhere highlight the evolving push-and-pull of global surveillance and privacy practices within socio-technical responses to the Covid-19 pandemic. At the global level, the World Health Organization announced plans in March 2020 to develop a blockchain-based “platform” for safely storing anonymous health data called MiPasa, to be built by large technology firms like IBM in partnership with financial services firms. At the same time, more bottom-up partnerships were formed between technology researchers, social movements, and start-ups seeking to repurpose blockchains for tracing the spread of SARS-CoV-2 without compromising individual privacy. For example, University of Cape Town academics, privacy activists, and a South African “corporate venture builder” called The Delta released Covid-ID, an open source app to ostensibly “track the virus, not the people” (CEO Louis Buys in Lourie 2020). This and similar blockchain-based apps provide users the option of storing their health data on their smartphones or in “wallet” platforms controlled by governments or participating banks that confirm user identity and health status. Such connections between “everyday” efforts to ensure privacy and the “regulatory” emphasis on confirming personal identity were evident across a number of wider public-private configurations formed to coordinate blockchain-based responses to the pandemic. For instance, the COVID Task

Force of the International Association for Trusted Blockchain Applications, a grouping of small and large technology companies, was backed by the European Commission.

Combining “everyday” and “regulatory” IPE approaches can help us to make sense of the prescriptive and socio-technical nature of rapidly evolving efforts to repurpose a set of emergent technologies to both protect privacy and pursue surveillance. Zooming in on interactions between public and private actors—as well as their interactions with novel technologies— draws attention to micro-level processes seeking to materialize particular prescriptions of how their users should or should not act. By zooming out and situating the fundamentally socio-technical nature of these experiments within wider efforts to expand and resist surveillance capitalism (Zuboff 2015), IPE scholarship can help to draw attention to the contingent and unpredictable push-and-pull of surveillance and privacy practices unfolding in responses to the global pandemic.

Step into, out of, and beyond the surveillance shop

In tracking and tracing on-going experiments by state and non-state actors with emergent technologies like blockchains, IPE approaches can usefully draw attention to the socio-technical and prescriptive underpinnings of complex, rapidly evolving surveillance and privacy practices. “Tracing the tracers” can also benefit from integrating approaches like “digital sousveillance” from other interdisciplines such as surveillance studies (Burke 2020). Efforts to observe and analyze both the mundane and the spectacular can also take inspiration from Thierry Guetta, the Frenchman featured in the 2010 Banksy-directed documentary *Exit through the Gift Shop*. In recording his life events, Guetta chronicled the expansion of street art from illicit behavior to a lucrative form of investment. While stepping into the (anti)surveillance shops developing in the wake of the pandemic, IPE scholarship can also step out and beyond these complex and rapidly evolving transnational partnerships to inject wider perspectives on questions of power, legitimacy, authority, and

governance. Instead of “exiting through the gift shop” as Guetta eventually does by creating and selling his own street art to become a millionaire, IPE students and scholars should help to situate rapidly evolving surveillance and privacy practices in wider contexts of state-market as well as human-technology relations.

REFERENCES

- Arregui, Anibal Garcia. 2020. "Viralscapes. The Bodies of Others after COVID-19." <https://allegralaboratory.net/viralscapes-the-bodies-of-others-after-covid-19/>.
- Babb, Sarah. 2013. "The Washington Consensus as Transnational Policy Paradigm: Its Origins, Trajectory and Likely Successor." *Review of International Political Economy* 20 (2): 268–97. <https://doi.org/10.1080/09692290.2011.640435>.
- Baccaro, Lucio, Björn Bremer, and Erik Neimanns. 2020. "Everyone Thinks That Germans Oppose 'Coronabonds.' Our Research Shows How They're Wrong." *The Washington Post*, April 20, 2020. <https://www.washingtonpost.com/politics/2020/04/20/everyone-thinks-that-germans-oppose-coronabonds-our-research-shows-how-theyre-wrong/>.
- Backer, Koen De, Carlo Menon, Isabelle Desnoyers-James, and Laurent Moussiegt. 2016. "Reshoring: Myth or Reality?" 27. OECD Science, Technology and Industry Policy Papers. Paris. <https://doi.org/https://doi.org/10.1787/5jm56frbm38s-en>.
- Baker McKenzie. 2020. "COVID-19: Impact on Governmental Foreign Investment Screening." 2020. <https://www.bakermckenzie.com/en/insight/publications/2020/03/covid19-impact-governmental-foreign>.
- Baldwin, Richard. 2016. *The Great Convergence: Information Technology and the New Globalization*. Cambridge, MA: Harvard University Press.
- Ban, Cornel. 2015. "Austerity versus Stimulus? Understanding Fiscal Policy Change at the International Monetary Fund Since the Great Recession." *Governance* 28 (2): 167–83. <https://doi.org/10.1111/gove.12099>.
- . 2016. *Ruling Ideas: How Global Neoliberalism Goes Local*. Oxford, UK: Oxford University Press.
- Beldad, Ardion, Babiche Snip, and Joris van Hoof. 2014. "Generosity the Second Time Around." *Nonprofit and Voluntary Sector Quarterly* 43 (1): 144–63. <https://doi.org/10.1177/0899764012457466>.
- Bernards, Nick, Malcolm Campbell-Verduyn, Daivi Rodima-Taylor, Jerome Duberry, Quinn DuPont, Andreas Dimmelmeier, Moritz Huetten, Laura C Mahrenbach, Tony Porter, and Bernhard Reinsberg. 2020. "Interrogating Technology-Led Experiments in Sustainability Governance." *Global Policy*. <https://doi.org/10.1111/1758-5899.12826>.
- Bernasconi-Osterwalder, Nathalie, Sarah Brewin, Nyaguthii Maina. 2020. "Protecting Against Investor–State Claims Amidst COVID-19: A call to action for governments". *International Institute for Sustainable Development*, <https://www.iisd.org/library/investor-state-claims-amidst-covid-19>
- Blum, Silvia, and Till van Treeck. 2019. "Ordoliberalism: The Next Generation. What Do Prospective Social Science Teachers in Germany Think About the Euro Crisis?" *JCMS: Journal of Common Market Studies* 57 (4): 787–804. <https://doi.org/10.1111/jcms.12876>.

- Blyth, Mark. 2015. *Austerity: The History of a Dangerous Idea*. Oxford, UK: Oxford University Press.
- Broome, André, and Joel Quirk. 2015. "The Politics of Numbers: The Normative Agendas of Global Benchmarking." *Review of International Studies* 41 (05): 813–18.
<https://doi.org/10.1017/S0260210515000339>.
- Burke, Colin. 2020. "Digital Sousveillance: A Network Analysis of the US Surveillant Assemblage." *Surveillance & Society* 18 (1): 74–89. <https://doi.org/10.24908/ss.v18i1.12714>.
- Büthe, Tim, Solomon Major, and André Melloe De Souza. 2012. "The Politics of Private Foreign Aid: Humanitarian Principles, Economic Development Objectives, and Organizational Interests in NGO Private Aid Allocation." *International Organization* 66 (4): 571–607.
<https://doi.org/10.1017/S0020818312000252>.
- Carling, Jørgen. 2008. "The Determinants of Migrant Remittances." *Oxford Review of Economic Policy* 24 (3): 581–98. <https://doi.org/https://doi.org/10.1093/oxrep/grn022>.
- Chalmers, Adam William, and Lisa Maria Dellmuth. 2015. "Fiscal Redistribution and Public Support for European Integration." *European Union Politics* 16 (3): 386–407.
<https://doi.org/10.1177/1465116515581201>.
- Childs, James E, Jürgen A Richt, and John S Mackenzie. 2007. "Introduction: Conceptualizing and Partitioning the Emergence Process of Zoonotic Viruses from Wildlife to Humans." In *Wildlife and Emerging Zoonotic Diseases: The Biology, Circumstances and Consequences of Cross-Species Transmission*, edited by James E Childs, John S Mackenzie, and Jürgen A Richt, 1–31. Berlin, Heidelberg: Springer Berlin Heidelberg. https://doi.org/10.1007/978-3-540-70962-6_1.
- Chwieroth, Jeffrey M. 2007. "Neoliberal Economists and Capital Account Liberalization in Emerging Markets." *International Organization* 61 (2): 443–63.
- Chwieroth, Jeffrey M. 2014. "Controlling Capital: The International Monetary Fund and Transformative Incremental Change from Within International Organisations." *New Political Economy* 19 (3): 445–69. <https://doi.org/10.1080/13563467.2013.796451>.
- . 2015. "Professional Ties That Bind: How Normative Orientations Shape IMF Conditionality." *Review of International Political Economy* 22 (4): 757–87.
<https://doi.org/10.1080/09692290.2014.898214>.
- Clift, Ben. 2019. "Contingent Keynesianism: The IMF's Model Answer to the Post-Crash Fiscal Policy Efficacy Question in Advanced Economies." *Review of International Political Economy* 26 (6): 1211–37. <https://doi.org/10.1080/09692290.2019.1640126>.
- Clift, Ben, and Jim Tomlinson. 2012. "When Rules Started to Rule: The IMF, Neo-Liberal Economic Ideas and Economic Policy Change in Britain." *Review of International Political Economy* 19 (3): 477–500. <https://doi.org/10.1080/09692290.2011.561124>.
- Cohen, Benjamin J. 2019. *Advanced Introduction to International Political Economy*. Cheltenham, UK: Edward Elgar.

- Cohen, Paul. 2011. "Euro Bonds Would Cost Germany Billions." *Der Spiegel*, August 22, 2011. <http://www.spiegel.de/international/germany/0,1518,781524,00.html>.
- Copelovitch, Mark. 2010. *The International Monetary Fund in the Global Economy: Banks, Bonds, and Bailouts*. Cambridge, UK: Cambridge University Press.
- Cutler, Claire A., Virginia Haufler, and Tony Porter. 1999. *Private Authority and International Affairs*. Albany: State University of New York Press.
- Degner, Hanno, and Dirk Leuffen. 2016. "Keynes, Friedman, or Monnet? Explaining Parliamentary Voting Behaviour on Fiscal Aid for Euro Area Member States." *West European Politics* 39 (6): 1139–59. <https://doi.org/10.1080/01402382.2016.1184019>.
- Desai, Raj M., and Homi Kharas. 2008. "The California Consensus: Can Private Aid End Global Poverty?" *Survival* 50 (4): 155–68. <https://doi.org/10.1080/00396330802328982>.
- Dijk, J. Van. 2014. "Datafication, Dataism and Dataveillance: Big Data between Scientific Paradigm and Ideology." *Surveillance & Society* 12 (2): 197–208.
- Diven, Polly J., and John Constantelos. 2009. "Explaining Generosity: A Comparison of US and European Public Opinion on Foreign Aid." *Journal of Transatlantic Studies* 7 (2): 118–32. <https://doi.org/10.1080/14794010902868280>.
- Dreher, Axel, Jan-Egbert Sturm, and James Raymond Vreeland. 2013. "Politics and IMF Conditionality." *Journal of Conflict Resolution* 59 (1): 120–48. <https://doi.org/10.1177/0022002713499723>.
- Dreher, Axel, and Stefanie Walter. 2010. "Does the IMF Help or Hurt? The Effect of IMF Programs on the Likelihood and Outcome of Currency Crises." *World Development* 38 (1): 1–18. <https://doi.org/https://doi.org/10.1016/j.worlddev.2009.05.007>.
- Dür, Andreas, Jappe Eckhardt, and Arlo Poletti. 2020. "Global Value Chains, the Anti-Globalization Backlash, and EU Trade Policy: A Research Agenda." *Journal of European Public Policy* 27 (6): 944–56. <https://doi.org/10.1080/13501763.2019.1619802>.
- Elias, Juanita, and Lena Rethel. 2016. "Southeast Asia and Everyday Political Economy." In *The Everyday Political Economy of Southeast Asia*, edited by Juanita Elias and Lena Rethel, 3–24. Cambridge, UK: Cambridge University Press.
- EurActiv. 2012. "Merkel on Eurobonds: 'Not in My Lifetime.'" 2012. <https://www.euractiv.com/section/euro-finance/news/merkel-on-eurobonds-not-in-my-lifetime/>.
- European Commission. 2011. "Green Paper on the Feasibility of Introducing Stability Bonds." Brussels. <http://ec.europa.eu/transparency/regdoc/rep/1/2011/EN/1-2011-818-EN-F1-1.Pdf>.
- European Union. 2020. "Pledge." 2020. https://global-response.europa.eu/pledge_en.

- Eurostat. 2020. "GDP and Employment Flash Estimates for the First Quarter of 2020."
<https://ec.europa.eu/eurostat/documents/2995521/10294864/2-15052020-AP-EN.pdf/5a7ea909-e708-f3d3-8375-e2510298e1b8>.
- Frieden, Jeffry, and Stefanie Walter. 2017. "Understanding the Political Economy of the Eurozone Crisis." *Annual Review of Political Science* 20 (1): 371–90.
<https://doi.org/10.1146/annurev-polisci-051215-023101>.
- FT Editorial Board. 2020. "Companies Should Shift from 'just in Time' to 'Just in Case.'" *Financial Times*, April 22, 2020. <https://www.ft.com/content/606d1460-83c6-11ea-b555-37a289098206>.
- Fuchs, Andreas, Axel Dreher, and Peter Nunnenkamp. 2014. "Determinants of Donor Generosity: A Survey of the Aid Budget Literature." *World Development* 56: 172–99.
<https://doi.org/10.1016/j.worlddev.2013.09.004>.
- Gereffi, Gary, John Humphrey, and Timothy J. Sturgeon. 2005. "The Governance of Global Value Chains." *Review of International Political Economy* 12 (1): 78–104.
<https://doi.org/10.1080/09692290500049805>.
- Grüll, Philip. 2020. "'Coronabonds' vs 'Recovery Bonds': Where Does Germany Stand?"
 EurActiv.Com. 2020.
<https://www.euractiv.com/section/economy-jobs/news/ccoronabonds-vs-recovery-bonds-where-does-germany-stand/>.
- Hafner-Burton, Emilie M, D Alex Hughes, and David G Victor. 2013. "The Cognitive Revolution and the Political Psychology of Elite Decision Making." *Perspectives on Politics* 11 (2): 368–86.
<https://doi.org/DOI: 10.1017/S1537592713001084>.
- Hall, Peter A. 1993. "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain." *Comparative Politics* 25 (3): 275–96.
- Hallet, Martin. 2009. "Economic Cycles and Development Aid. What Is the Evidence from the Past?"
 5. ECFIN Economic Brief. Brussels.
- Herrmann, Richard K. 2017. "How Attachments to the Nation Shape Beliefs About the World: A Theory of Motivated Reasoning." *International Organization* 71 (S1): S61–84.
<https://doi.org/DOI: 10.1017/S0020818316000382>.
- Hobson, John, and Leonard Seabrooke. 2007. *Everyday Politics of the World Economy*. Cambridge, UK: Cambridge University Press.
- Hozic, Aida, and Jacqui True. 2016. *Scandalous Economics: Gender and the Politics of Financial Crises*. Oxford, UK: Oxford University Press.
- IMF. 2020. "Fiscal Policies for the Recovery from Covid-19. 6 May 2020."
<https://blogs.imf.org/2020/05/06/fiscal-policies-for-the-recovery-from-covid-19/>.
- Inman, Philip. 2020. "Jolt to Eurozone as German Court Warns against Central Bank Stimulus." *The Guardian* 2, May 5, 2020.

<https://www.theguardian.com/business/2020/may/05/jolt-to-eurozone-as-german-court-warns-against-central-bank-stimulus>.

Jones, Bryony A, Delia Grace, Richard Kock, Silvia Alonso, Jonathan Rushton, Mohammed Y Said, Declan McKeever, et al. 2013. “Zoonosis Emergence Linked to Agricultural Intensification and Environmental Change.” *Proceedings of the National Academy of Sciences* 110 (21): 8399 LP – 8404. <https://doi.org/10.1073/pnas.1208059110>.

Jones, Erik. 2010. “A Eurobond Proposal to Promote Stability and Liquidity While Preventing Moral Hazard.” <https://www.ispionline.it/it/pubblicazione/eurobond-proposal-promote-stability-and-liquidity-while-preventing-moral-hazard-8545>.

———. 2012. “Eurobonds, Flight to Quality, and TARGET2 Imbalances’.” http://www.sieps.se/sites/default/files/2012_4epa_EN_A4.pdf.

Jones, Kate E, Nikkita G Patel, Marc A Levy, Adam Storeygard, Deborah Balk, John L Gittleman, and Peter Daszak. 2008. “Global Trends in Emerging Infectious Diseases.” *Nature* 451 (7181): 990–93. <https://doi.org/10.1038/nature06536>.

Kaiser, Johannes, and Katharina Kleinen-von KönigsLöw. 2017. “The Framing of the Euro Crisis in German and Spanish Online News Media between 2010 and 2014: Does a Common European Public Discourse Emerge?” *JCMS: Journal of Common Market Studies* 55 (4): 798–814. <https://doi.org/10.1111/jcms.12515>.

Katz-Rosene, Ryan M, Christopher Kelly-Bisson, and Matthew Paterson. 2020. “Teaching Students to Think Ecologically about the Global Political Economy, and Vice Versa.” *Review of International Political Economy*, April, 1–16. <https://doi.org/10.1080/09692290.2020.1748092>.

Katzenstein, Peter J, Robert O Keohane, and Stephen D Krasner. 1998. “International Organization and the Study of World Politics.” *International Organization* 52 (4): 645–85. <https://doi.org/DOI:10.1017/S002081830003558X>.

Kaya, Ayse, and Mike Reay. 2019. “How Did the Washington Consensus Move within the IMF? Fragmented Change from the 1980s to the Aftermath of the 2008 Crisis.” *Review of International Political Economy* 26 (3): 384–409. <https://doi.org/10.1080/09692290.2018.1511447>.

Kentikelenis, Alexander E, Thomas H Stubbs, and Lawrence P King. 2016. “IMF Conditionality and Development Policy Space, 1985–2014.” *Review of International Political Economy* 23 (4): 543–82. <https://doi.org/10.1080/09692290.2016.1174953>.

Kilpatrick, A Marm, Aleksei A Chmura, David W Gibbons, Robert C Fleischer, Peter P Marra, and Peter Daszak. 2006. “Predicting the Global Spread of H5N1 Avian Influenza.” *Proceedings of the National Academy of Sciences* 103 (51): 19368 LP – 19373. <https://doi.org/10.1073/pnas.0609227103>.

Kollewe, Julia. 2012. “Angela Merkel’s Austerity Postergirl, the Thrifty Swabian Housewife.” *The Guardian*, September 17, 2012. <https://www.theguardian.com/world/2012/sep/17/angela-merkel-austerity-swabian-housewiv>

es.

- Kramer, Jane. 2015. "Can This Man Save Italy?" *The New Yorker*, June 29, 2015.
<https://www.newyorker.com/magazine/2015/06/29/the-demolition-man>.
- Kranke, Matthias, and David Yarrow. 2019. "The Global Governance of Systemic Risk: How Measurement Practices Tame Macroprudential Politics." *New Political Economy* 24 (6): 816–32.
<https://doi.org/10.1080/13563467.2018.1545754>.
- la Dehesa, Guillermo De. 2011. "Eurobonds: Concepts and Implications." Brussels.
<http://www.europarl.europa.eu/document/activities/cont/201103/20110317ATT15734/20110317ATT15734EN.pdf>.
- Lagarde, Christine. 2018. "Addressing the Dark Side of the Crypto World." *IMF Blog*, March 13, 2018.
- Linsi, Lukas. 2019. "The Discourse of Competitiveness and the Dis-Embedding of the National Economy." *Review of International Political Economy*.
<https://doi.org/10.1080/09692290.2019.1687557>.
- Lourie, Gugu. 2020. "Coronavirus: New App Tracks COVID-19 and Ends Need for Lockdown: A Privacy-Preserving COVID-19 Immunity Pass." *Tech Financials*, April 20, 2020.
<https://techfinancials.co.za/2020/04/20/coronavirus-new-app-tracks-covid-19-and-ends-need-for-lockdown/>.
- Lütz, Susanne, and Matthias Kranke. 2014. "The European Rescue of the Washington Consensus? EU and IMF Lending to Central and Eastern European Countries." *Review of International Political Economy* 21 (2): 310–38. <https://doi.org/10.1080/09692290.2012.747104>.
- MacKenzie, Donald, Iain Hardie, Charlotte Rommerskirchen, and Arjen van der Heide. 2020. "Why Hasn't High-Frequency Trading Swept the Board? Shares, Sovereign Bonds and the Politics of Market Structure." *Review of International Political Economy*, March, 1–25.
<https://doi.org/10.1080/09692290.2020.1743340>.
- Matthijs, Matthias, and Kathleen McNamara. 2015. "The Euro Crisis' Theory Effect: Northern Saints, Southern Sinners, and the Demise of the Eurobond." *Journal of European Integration* 37 (2): 229–45. <https://doi.org/10.1080/07036337.2014.990137>.
- McMichael, A J. 2004. "Environmental and Social Influences on Emerging Infectious Diseases: Past, Present and Future." *Philosophical Transactions of the Royal Society of London. Series B: Biological Sciences* 359 (1447): 1049–58. <https://doi.org/10.1098/rstb.2004.1480>.
- McNeill, John Robert. 2010. *Mosquito Empires: Ecology and War in the Greater Caribbean, 1620-1914*. Cambridge, UK: Cambridge University Press.
- Meunier, Sophie, and Kalypso Nicolaidis. 2019. "The Geopoliticization of European Trade and Investment Policy." *JCMS: Journal of Common Market Studies* 57 (S1): 103–13.
<https://doi.org/10.1111/jcms.12932>.

- Monti, Mario. 2011. "Eurobonds Are the Only Answer to Europe's Crisis." *The New Federalist*, September 7, 2011.
<http://www.lepointinternational.com/it/component/content/article/54-europa/743-mario-monti-eurobonds-are-the-only-answer-to-europes-crisis.html>.
- Morse, Stephen S. 2001. "Factors in the Emergence of Infectious Diseases BT - Plagues and Politics: Infectious Disease and International Policy." In , edited by Andrew T Price-Smith, 8–26. London: Palgrave Macmillan UK. https://doi.org/10.1057/9780230524248_2.
- Moschella, Manuela. 2016. "Negotiating Greece. Layering, Insulation, and the Design of Adjustment Programs in the Eurozone." *Review of International Political Economy* 23 (5): 799–824.
<https://doi.org/10.1080/09692290.2016.1224770>.
- Mosley, P. 1985. "The Political Economy of Foreign Aid: A Model of the Market for a Public Good." *Economic Development & Cultural Change* 33 (2): 373–93.
<https://doi.org/10.1086/451466>.
- Mukherjee, A. 2020. "China's Crypto Is All About Tracing — and Power." *Bloomberg*, May 24, 2020.
- Nakamoto, S. 2008. "Bitcoin: A Peer-to-Peer Electronic Cash System."
- Nelson, Stephen C. 2017. *The Currency of Confidence: How Economic Beliefs Shape the IMF's Relationship with Its Borrowers*. Ithaca, N.Y.: Cornell University Press.
- Nelson, Stephen C., and Peter J. Katzenstein. 2014. "Uncertainty, Risk, and the Financial Crisis of 2008." *International Organization* 68 (2): 361–92.
- Oatley, Thomas. 2019. "Toward a Political Economy of Complex Interdependence." *European Journal of International Relations* 25 (4): 957–78.
- OECD. 2018. "Private Philanthropy for Development." The Development Dimension. Paris.
<https://doi.org/http://dx.doi.org/10.1787/9789264085190-en>.
- OXFAM. 2020. "Dignity Not Destitution." Policy Paper. London.
- Pauly, Louis W. 1997. *Who Elected the Bankers?: Surveillance and Control in the World Economy*. Ithaca, N.Y.: Cornell University Press.
- Peterson, Timothy M. 2016. "US Disaster Aid and Bilateral Trade Growth." *Foreign Policy Analysis* 13 (1): 93–111. <https://doi.org/10.1093/fpa/orw046>.
- Pevehouse, Jon C., and Leonard Seabrooke. n.d. *Oxford Handbook of International Political Economy*. Oxford, UK: Oxford University Press.
- Pidd, Helen. 2011. "Greek Bailout Challenged in Germany's Constitutional Court." *The Guardian*, July 5, 2011.
<https://www.theguardian.com/business/2011/jul/05/germany-greek-bailout-legal-challenge-constitutional-court>.

- Rathbun, Brian C, Kathleen E Powers, and Therese Anders. 2019. "Moral Hazard: German Public Opinion on the Greek Debt Crisis." *Political Psychology* 40 (3): 523–41. <https://doi.org/10.1111/pops.12522>.
- Ravenhill, John. 2007. "In Search of the Missing Middle." *Review of International Political Economy* 15 (1): 18–29. <https://doi.org/10.1080/09692290701751258>.
- Roemer-Mahler, Anne, and Stefan Elbe. 2016. "The Race for Ebola Drugs: Pharmaceuticals, Security and Global Health Governance." *Third World Quarterly* 37 (3): 487–506. <https://doi.org/10.1080/01436597.2015.1111136>.
- Round, Jeffery I., and Matthew Odedokun. 2004. "Aid Effort and Its Determinants." *International Review of Economics and Finance* 13 (3): 293–309. <https://doi.org/10.1016/j.iref.2003.11.006>.
- Rugman, Alan M. 2005. *The Regional Multinationals: MNEs and "Global" Strategic Management*. Cambridge, UK: Cambridge University Press.
- Schmidt, Vivien A., and Mark Thatcher. 2014. "Theorizing Ideational Continuity: The Resilience of Neoliberal Ideas in Europe." In *Resilient Liberalism in Europe's Political Economy*. Cambridge, U.K.: Cambridge University Press.
- Seabrooke, Leonard, and Duncan Wigan. 2017. "The Governance of Global Wealth Chains." *Review of International Political Economy* 24 (1): 1–29. <https://doi.org/10.1080/09692290.2016.1268189>.
- Shadlen, Kenneth C, Bhaven N Sampat, and Amy Kapczynski. 2020. "Patents, Trade and Medicines: Past, Present and Future." *Review of International Political Economy* 27 (1): 75–97. <https://doi.org/10.1080/09692290.2019.1624295>.
- Singh, J P. 2020. "Race, Culture, and Economics: An Example from North-South Trade Relations." *Review of International Political Economy*, June, 1–13. <https://doi.org/10.1080/09692290.2020.1771612>.
- Stone, Randall W. 2008. "The Scope of IMF Conditionality." *International Organization* 62 (4): 589–620. <https://doi.org/DOI: 10.1017/S0020818308080211>.
- Strömberg, David. 2008. "Natural Disasters, Economic Development, and Humanitarian Aid." *Journal of Economic Perspectives* 21 (3): 199–222. <https://doi.org/10.1257/jep.21.3.199>.
- Stroup, Sarah S., and Wendy H. Wong. 2017. *The Authority Trap: Strategic Choices of International NGOs*. Ithaca: Cornell University Press.
- Thies, Cameron G., and Timothy M. Peterson. 2015. *Intra-Industry Trade: Cooperation and Conflict in the Global Political Economy*. Stanford: Stanford University Press.
- Underhill, Geoffrey R D. 2002. "State, Market, and Global Political Economy: Genealogy of an (Inter-) Discipline." *International Affairs* 76 (4): 805–24. <https://doi.org/10.1111/1468-2346.00166>.
- Utrikesdepartementet. 2020. "Sida Uppdrags Analysera Coronapandemins Konsekvenser För

Biståndet.”

<https://www.regeringen.se/pressmeddelanden/2020/05/sida-uppdras-analysera-coronapandemins-konsekvenser-for-bistandet/>.

Verhaert, Griet A., and Dirk Van den Poel. 2011. “Empathy as Added Value in Predicting Donation Behavior.” *Journal of Business Research* 64 (12): 1288–95.

<https://doi.org/10.1016/j.jbusres.2010.12.024>.

Woods, Ngaire. 2006. *The Globalizers. The IMF, the World Bank, and Their Borrowers*. Ithaca: Cornell University Press.

Zagefka, Hanna, and Trevor James. 2015. “The Psychology of Charitable Donations to Disaster Victims and Beyond.” *Social Issues and Policy Review* 9 (1): 155–92.

<https://doi.org/10.1111/sipr.12013>.

Zuboff, Shoshana. 2015. “Big Other: Surveillance Capitalism and the Prospects of an Information Civilization.” *Journal of Information Technology* 30 (1): 75–89. <https://doi.org/10.1057/jit.2015.5>.



University of Groningen
Globalisation Studies Groningen
Oude Kijk in 't Jat Straat 27
9712 EK Groningen

T +31(0)50 363 2391
gsg@rug.nl

www.rug.nl/gsg